

## Scenario Matrix - Environmentally Challenged

Scenarios	Environmentally Challenged
<b>Drivers</b>	
<b>World Economy and Market Environment</b>	Global recession; entire industry segments at risk, some segments doing quite well; lots of environmental rules; high unemployment, high inflation, high cost of capital; stock markets have tumbled, bankruptcies high among energy dependent companies; financial stability imposed by international government coordination.
<b>International Trade Environment</b>	Intra-regional trade agreements prevail; cooperation within trading groups; global harmonization on environmental issues; landing rights and air space highly regulated and tied to emissions credits; environmental crisis forces international cooperation.
<b>Political Instability</b>	High political and economic instability; tension over hydrocarbon limits; trade tensions; civil instability in disrupted economies; the future contains very high levels of uncertainty; some rearmament (significant in some cases).
<b>U. S. Military Requirements</b>	Need to be able to threaten military sanctions for states not cooperating with CO <sub>2</sub> reduction protocols; cooperative actions; tendency to want to find non-military solutions to problems; DOD pursues hydrocarbon free power systems; moderate relatively high-tech world arms market.
<b>Global Distribution of Power &amp; Technology</b>	Japan, China, US, and the European Union are key powers; key to global leadership is intellectual capital (especially in science and research) - European Union may be leader in global science and research activity.
<b>Fuels &amp; Fuel Sources</b>	Stable oil supplies; wholesale cost is stable and maintained through negotiated international agreement on fair price for suppliers; rationing of CO <sub>2</sub> emission limits the use of hydrocarbon fuels; huge global effort searching for alternative fuels.
<b>US Policy</b>	Global environmental crisis results in bifurcated US policy responses including international scientific and environmental cooperation on the one hand and economic protectionism on the other; labor issues are highly politicized; in response to Europe's leadership in the reduction of CO <sub>2</sub> emissions, pragmatic US cooperation emerges; no tort reform (possible reversal of earlier reforms); very US centric and populist policies tempered by strong regional (NAFTA +) links; lenient anti-trust interpretation and enforcement to buttress US industries; mixed pressures on bankruptcy decisions related to environmental issues, job retention, and existence of national industries; very high deficit spending and national debt; low humanitarian consensus even regarding Latin America (just trade, not aid).
<b>Corporate Structure and Operations</b>	Corporations are competitive if their markets are contiguous with manufacturing location but are not competitive if they rely on long range transportation; there are incentives for the proliferation of technologies impacting products or services that reduce CO <sub>2</sub> emissions; developing countries leverage for requiring offsets is primarily limited to CO <sub>2</sub> emission credits; environmental regulations result in high production costs and high unemployment; US job retention policies burden firms with high labor costs; inter-firm alliances across geographic regions to optimize CO <sub>2</sub> credits.
<b>Environment</b>	High sensitivity to all pollution issues, but spending focus is on CO <sub>2</sub> ; long term effects of all products and activities are scrutinized; alternatives to hydro-carbons will have high threshold of acceptance.
<b>Public Health</b>	Carriers for many diseases have greater range with warmer climate; health problems from mass migration away from climate impacted areas; climatic shifts have huge impacts on public health globally; public health funding becomes serious competitor for public resources.
<b>Public Attitude to Technology</b>	Technology is the problem!; technology is the savior!; this debate may form the locus of political discourse; general anti-(new) technology bias.
<b>Education</b>	US public education is under-funded; the funding that is available flows into focused university research and global work in environmental science; independent and private funding is in applied science and technology; non-science education gets very little support; virtual education is finally being supported.

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<b>Drivers</b>	
<b>Geographic (Living) Dispersion</b>	Bicycle world; huge disincentives to disperse; clustering near work/stores.
<b>Communications and Information Technology</b>	For about the first decade, strong global growth in communication, but US growth in communications and information systems tended to lag even as US companies helped drive global development; in last years communication is leveraged in all ways possible to substitute for transportation; significant computer-controlled energy management.
<b>Production Cost Performance</b>	Cost of manufacturing goes up as policies to reduce CO <sub>2</sub> are implemented, driven by pollution credits; alternative fuels crucial; manufacturing location decisions must consider local pollution credits and transport costs.
<b>Technology development and Application</b>	Very unidimensional technology development - focused on detecting, modeling, and forecasting CO <sub>2</sub> plus energy conservation (demand and supply side), alternate fuels and sources of energy, technology to “absorb” carbon and store in benign forms; science is done globally and technology is done locally.
<b>Time Poverty Leisure Time, Entertainment</b>	Time poverty is not a serious problem for most people; very local leisure and entertainment; home entertainment is very important; town picnics, county fairs, and tree planting outings.
<b>Global Transportation Infrastructure</b>	Integrated infrastructure designed to reduce CO <sub>2</sub> emissions; regulated access to infrastructure; trend toward smart infrastructure (e.g., metered auto access to highways).
<b>Safety and Security</b>	Other issues overshadow safety; security threat (including data security) is moderate, disbursed, and comes from nations and groups dissatisfied with limits to growth and development.
<b>Access to space</b>	Very hard to justify unless attached to solution to CO <sub>2</sub> problem, such as space based sensors or energy source.